



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Falcon and Amistad Projects' Rate Order No. WAPA-186

AGENCY: Western Area Power Administration (WAPA), DOE.

ACTION: Notice of proposed extension for the Falcon and Amistad Projects' firm power rate formula.

SUMMARY: WAPA proposes extending the Falcon and Amistad Projects' firm power rate formula through June 7, 2024. The Falcon and Amistad Projects' firm power rate formula expires June 7, 2019.

DATES: The comment period will begin [*INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER*] and end [*INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER*]. WAPA will accept written comments any time during the comment period. Upon completion of the comment period, WAPA will take further action on the proposed rate formula extension consistent with 10 CFR 903.23(a).

ADDRESSES: Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the rates submitted by WAPA to FERC for approval should be sent to: Mr. Brent Osiek, Power Marketing Manager, Colorado River Storage Project Management Center, Western Area Power Administration, 299 South Main Street, Suite 200, Salt Lake City, UT 84111, (801) 524-5495, e-mail: osiek@wapa.gov.

FOR FURTHER INFORMATION CONTACT: Mr. Thomas Hackett, Rates Manager,
Colorado River Storage Project Management Center, Western Area Power Administration,
299 South Main Street, Suite 200, Salt Lake City, UT 84111, (801) 524-5503, e-mail:
hackett@wapa.gov.

SUPPLEMENTARY INFORMATION: The Falcon and Amistad Dams are features of international water storage projects located on the Rio Grande River between Texas and Mexico. The portion of the dams located in the United States is operated by the United States International Boundary and Water Commission (USIBWC). Under arrangements with the United States Department of State and USIBWC, WAPA is the Federal agency responsible for marketing and selling the electricity generated at these facilities. WAPA markets the power generated at Falcon and Amistad as a combined product to only one customer – the South Texas Electric Cooperative. The cost of the power is determined by a power rate formula. This power rate formula was initially approved by the Federal Power Commission (FPC), the predecessor to FERC, in FPC Docket No. E-9566 on August 12, 1977 (59 FPC 1653), for a 5-year period effective on the date of initial operation of Amistad Power Plant, June 8, 1983.¹

The power rate formula calculates the revenue WAPA must annually repay to the Department of the Treasury for the United States' investment in the Falcon and Amistad hydroelectric facilities with interest, as well as associated operation, maintenance, and administrative costs. This annual installment is collected in 12 monthly payments and is independent of the amount of available generation. The existing rate formula provides sufficient revenue to recover annual expenses, interest, and capital replacements, within the cost recovery criteria set forth in

¹ A 5-year rate extension of this same power formula rate through June 7, 1993, was approved by FERC on June 20, 1988, at 44 FERC ¶ 62,058. Subsequent 5-year extensions of the formula rate have been approved by FERC; the most recent approval was on April 9, 2015, in Docket No. EF14-9-000, which approved the same formula rate through June 7, 2019.

Department of Energy (DOE) Order RA 6120.2; therefore, WAPA proposes to extend the current rate formula schedule for 5 years.

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to WAPA's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve on a final basis, remand, or disapprove such rates to FERC. This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

In accordance with 10 CFR 903.23(a)(2), WAPA determined that it is not necessary to hold a public information or public comment forum, but WAPA is providing a 30-day comment period on the proposed formula rate extension to allow for public participation. Comments must be received by the end of the comment period. WAPA will post comments received to its Web site: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>. After considering public comments, WAPA will take further action on the proposed rate formula extension consistent with 10 CFR 903.23(a).

Dated: December 13, 2018

Mark A. Gabriel
Administrator

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